

REGISTERED NO: 1789274

LONMIN FINANCE PUBLIC LIMITED COMPANY

Annual Report
and Accounts

2001

Registered office:

4 Grosvenor Place
LONDON SW1X 7YL



LONMIN FINANCE PUBLIC LIMITED COMPANY

REPORT OF THE DIRECTORS

The Directors of Lonmin Finance Public Limited Company submit their Report together with the audited Accounts for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is to lend to Lonmin Plc funds which have been borrowed in the market. The Company currently has no loans and has therefore not traded during the year.

FINANCIAL RESULTS FOR THE YEAR

The result before dividends for the year was £Nil (2000: loss £1,407,000). The Directors paid dividends of £987,000 (2000: £Nil) in respect of the year under review, leaving a retained loss of £987,000 for the year (2000: loss £1,407,000).

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. The Directors have satisfied themselves that the Company is in a sound financial position and that sufficient facilities will be available from its parent company, to meet the Company's foreseeable cash requirements.

CREDITOR PAYMENT POLICY

It is the Company's policy:

- to settle the terms of payment with its suppliers when agreeing the terms of each transaction
- to ensure that its suppliers are made aware of the terms of payment
- to endeavour to abide by the terms of payment

Trade creditors at 30 September 2001 represent Nil days purchases as there are no trade creditors.

DIRECTORATE

The present Board of the Company is set out below.

G E HASLAM
M J PEARCE
J N ROBINSON

Messrs Pearce and Robinson served as Directors throughout the period. Mr Haslam was appointed as a Director on 1 December 2000.

DIRECTORS' INTERESTS

According to the Company's Register of Directors' Interests, the following interests, all of which are beneficial, have been disclosed in the share capital of LONMIN Plc:

ORDINARY SHARES OF LONMIN Plc

	Shares of £1 each 01.10.00	Shares of £1 each 30.09.01
M J PEARCE	16,667	16,706

LONMIN FINANCE PUBLIC LIMITED COMPANY

SHARE OPTIONS

Set out below are the options held by the Directors over Ordinary Shares of Lonmin Plc:

LONMIN Plc Number of Options

	01.10.00 Shares of £1 each	Granted Shares of £1 each	Exercised Shares of £1 each	Lapsed Shares of £1 each	30.09.01 Shares of £1 each	Exercise Price Pence	Market Price at Exercise Pence	Date From Which Exercisable	Expiry Date	Scheme see note
M J PEARCE	7,986				7,986	216.000		01.11.2003	30.04.2004	(a)
	55,000				55,000	250.000		28.08.2001	28.08.2008	(b)
	35,000				35,000	668.500		08.06.2003	08.06.2010	(b)
Total	97,986				97,986					

Notes: (a) The Lonmin Savings Related Share Option Scheme 1994
(b) The Lonmin Overseas & Associate Share Option Scheme 1994

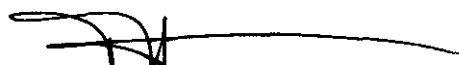
The share interests of Mr J N Robinson and Mr G E Haslam are not disclosable to this Company, as it is a wholly-owned subsidiary of Lonmin Plc, of which Mr Robinson and Mr Haslam are also Directors and consequently their share interests will be disclosed by that company.

By way of comparison with the exercise prices, the middle market quotation for Lonmin Plc's ordinary shares, as derived from the Lonmin Stock Exchange Daily Official List, was 835.50 pence on 28 September 2000 (the last trading date of the year under review), as compared with the high and low quotations for the financial year of 1,125.00 pence and 730.00 pence respectively.

AUDITORS

A resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



**T C HERITAGE
FOR THE SECRETARIES
THE AFRICAN INVESTMENT TRUST, LIMITED**

26 MARCH 2002

**REGISTERED OFFICE:
4 GROSVENOR PLACE
LONDON, SW1X 7YL**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgments and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LONMIN FINANCE PUBLIC LIMITED COMPANY

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

23 April 2002

LONMIN FINANCE PUBLIC LIMITED COMPANY

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2001

	<u>NOTES</u>	<u>2001</u> £000	<u>2000</u> £000
Administrative expenses		-	(10)
OPERATING LOSS		-	(10)
Other interest receivable and similar income	2	2,826	3,140
Interest payable and similar charges	3	(2,826)	(4,537)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	(1,407)
Taxation	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		-	(1,407)
Dividends	6	(987)	-
RETAINED LOSS FOR THE FINANCIAL YEAR	10	(987)	(1,407)

The attached notes on pages 7 to 9 form part of these Accounts.

The Company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during either 2001 or 2000. Therefore the result on ordinary activities is derived entirely from continuing operations.

The Company has no recognised gains or losses other than the result for the years ended 30 September 2001 and 2000. Therefore, no statement of recognised gains or losses is given.



LONMIN FINANCE PUBLIC LIMITED COMPANY

BALANCE SHEET

30 SEPTEMBER 2001

	<u>NOTES</u>	<u>2001</u>	<u>2000</u>
		£000	£000
CURRENT ASSETS			
Debtors:			
Amounts falling due within one year	7	2,000	3,007
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	8	-	(20)
NET CURRENT ASSETS		2,000	2,987
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,000</u>	<u>2,987</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,000	2,000
Profit and Loss account	10	-	987
EQUITY INTERESTS		<u>2,000</u>	<u>2,987</u>

The Accounts on pages 4 to 9 were approved by the Board of Directors on 26 March 2002 and were signed on its behalf by:

Director J. N. ROBINSON

Director G. E. HASLAM

LONMIN FINANCE PUBLIC LIMITED COMPANY

CASH FLOW STATEMENT

YEAR ENDED 30 SEPTEMBER 2001

	Notes	£000	2001 £000	£000	2000 £000
Net cash outflow from operating activities	11		(20)		(33)
Returns on investments and servicing of finance	12		-		(584)
Capital expenditure and financial investment	12		1,007		109,466
Equity dividends paid			<u>(987)</u>		<u>(850)</u>
Cash inflow before use of liquid resources and financing			-		107,999
Financing - decrease in debt	12	<u>-</u>		<u>(107,999)</u>	
Movement in cash in the period			<u>-</u>		<u>(107,999)</u>
			<u>-</u>		<u>-</u>

Reconciliation of net cash flow to movement in net debt

Movement in cash in the period	-	-
Cash outflow from decrease in debt and lease financing	-	107,999
	<u>-</u>	<u>107,999</u>
Change in net debt resulting from cash flows	-	107,999
Bond issue expenses written off upon repayment of long term loans	-	(1,507)
	<u>-</u>	<u>(1,507)</u>
Movement in net debt in the period	-	106,492
Net debt at 1 October 2000	-	<u>(106,492)</u>
Net debt at 30 September 2001	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

30 SEPTEMBER 2001

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is controlled by Lonmin Plc and is exempt from disclosing related party transactions with it and other group undertakings under Financial Reporting Standard No. 8 as it is a wholly owned subsidiary undertaking included within the consolidated financial statements which are publicly available.

Financial Reporting Standard 18 "Accounting Policies" is applicable for accounting periods ending on or after 22 June 2001. The Company has applied the provisions of FRS 18 by adopting appropriate accounting policies which are regularly reviewed and by disclosing sufficient information to enable users of the financial statements to understand the accounting policies adopted and how they have been implemented. The adoption of FRS 18 has not led to any changes of accounting policy for the Company.

DEFERRED TAX

Financial Reporting Standard 19 "Deferred Tax" which is applicable for accounting periods ending on or after 23 January 2002 has been adopted early for the year ended 30 September 2001. Previously, in accordance with SSAP 15, deferred tax was provided only to the extent that a liability was expected to crystallise. The effect of this policy was that no provision was made. FRS 19 requires deferred tax to be provided on a full provision basis. The adoption of FRS 19 has not led to the Company recording a deferred tax asset or liability in the current or prior period.

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2001</u> <u>£000</u>	<u>2000</u> <u>£000</u>
On loan to ultimate parent company	2,826	3,140
	<u>2,826</u>	<u>3,140</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

Bonds repayable within five years	2,826	1,450
Bonds repayable after five years	-	1,580
Bond issue expenses written off upon redemption of Bonds	-	1,507
	<u>2,826</u>	<u>4,537</u>

LONMIN FINANCE PUBLIC LIMITED COMPANY

NOTES TO THE ACCOUNTS

Continued

30 SEPTEMBER 2001

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

2001
£000

2000
£000

Loss on ordinary activities before and after taxation is arrived at after charging :-

Auditor's remuneration - audit

-

20

No emoluments were paid to the Directors during the year (2000 - £NIL)
Details of Directors' share options are shown within the Directors Report.

No staff were employed during the year.

5. TAXATION

No account has been taken of Corporation tax losses which may be surrendered to other companies in the Lonmin Group.

6. DIVIDENDS

Dividends paid

987

-

7. DEBTORS

Amounts falling due within one year

Amounts owed by ultimate parent company

2,000

3,007

8. CREDITORS: Amounts falling due within one year

Accruals

-

20

9. CALLED UP SHARE CAPITAL

AUTHORISED, ISSUED AND FULLY PAID

2,000,000 Ordinary shares of £1 each

2,000

2,000

10. RESERVES

At 30 September 2000

Retained loss

At 30 September 2001

Profit and
Loss Account

987

(987)

-

30 SEPTEMBER 200111. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASHFLOWS

	<u>2001</u>	<u>2000</u>
	£000	£000
Operating loss	-	(10)
Decrease in creditors	<u>(20)</u>	<u>(23)</u>
	<u>(20)</u>	<u>(33)</u>

12. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENTReturns on investments and
servicing of finance

Interest received	2,826	3,140
Interest paid	<u>(2,826)</u>	<u>(3,724)</u>
Net cash outflow for returns on investments and servicing of finance	<u>-</u>	<u>(584)</u>

Capital expenditure and financial investment

Net loans repaid by ultimate parent company	<u>1,007</u>	<u>109,466</u>
Net cash inflow for capital expenditure and financial investment	<u>1,007</u>	<u>109,466</u>

FinancingDebt due beyond a year :

increase in long term loans	-	-
repayment of long term loans	<u>-</u>	<u>(107,999)</u>
Net cash outflow from financing	<u>-</u>	<u>(107,999)</u>

13. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Lonmin Plc., a company registered in England and Wales.

The parent undertaking of the only group of undertakings for which group accounts are drawn up, and of which the Company is a member, is Lonmin Plc.

Copies of the consolidated accounts of Lonmin Plc can be obtained from The Secretary, Lonmin Plc, 4 Grosvenor Place, London, SW1X 7YL, or from the Registrar of Companies, Crown Way, Maindy, Cardiff, CF4 3UZ.